

## **804 KAR 10:031. Local government regulatory license fees.**

RELATES TO: KRS 243.075

STATUTORY AUTHORITY: KRS 243.075(5)(a)

NECESSITY, FUNCTION, AND CONFORMITY: KRS 243.075(1)(a) authorizes a qualified city or county to establish by administrative regulation a fee upon the gross receipts from the sale of alcoholic beverages or each establishment licensed to sell alcoholic beverages. KRS 243.075(5)(a) requires the department to promulgate administrative regulations to establish a process by which a qualified city or county, in the first year following the discontinuance of prohibition, may estimate any additional policing, regulatory, or administrative expenses incurred by that city or county that are directly and solely related to the sale of alcoholic beverages. This administrative regulation establishes what specific costs and expenses may be subject to reimbursement, and a form is incorporated by reference to calculate and document the expense.

Section 1. Definition. "Qualified city or county" means a city on the registry maintained by the Department for Local Government under KRS 243.075(9)(b), a county containing a city on the registry, or a city or county that had been previously permitted to issue regulatory license fees.

Section 2. Allowable Costs and Expenses. The costs and expenses subject to reimbursement through a regulatory license fee shall directly and solely relate to the discontinuance of prohibition in the qualified city or county, including reasonable costs and expenses of:

- (1) Employment, salary, and benefits of the city or county alcoholic beverage control administrator and staff who administer alcoholic beverage control laws;
- (2) Office supplies and equipment for the city or county to administer an alcoholic beverage control office;
- (3) Office space for an alcoholic beverage control administrator and staff;
- (4) Travel costs and expenses for the city or county alcoholic beverage control administrator and staff;
- (5) Additional policing expenses that are directly related to the discontinuance of prohibition, which shall include only those costs and expenses incurred solely as a result of the discontinuance of prohibition that are over and above any policing expenses previously incurred; and
- (6) Miscellaneous costs and expenses solely and directly related to the discontinuance of prohibition, if the following information is included on the Calculation Form for Alcohol Regulatory Fee in First Year Following Repeal of Prohibition:
  - (a) A description of the expenditure;
  - (b) A detailed explanation of the necessity of the expenditure as it related to the discontinuance of prohibition; and
  - (c) The cost of the expenditure.

Section 3. A qualified city or county shall use the Calculation Form for Alcohol Regulatory Fee in First Year Following Repeal of Prohibition to estimate permissible expenses and to establish the fee.

Section 4. The Calculation Form for Alcohol Regulatory Fee in First Year Following Repeal of Prohibition used by a qualified city or county to determine permissible regulatory fees shall be retained pursuant to 725 KAR 1:061.

Section 5. Incorporation by Reference. (1) "Calculation Form for Alcohol Regulatory Fee in

First Year Following Repeal of Prohibition", August 2014, is incorporated by reference.

(2) This material may be inspected, copied, or obtained, subject to applicable copyright law, at the Kentucky Department of Alcoholic Beverage Control, 1003 Twilight Trail, Frankfort, Kentucky 40601, Monday through Friday, 8 a.m. to 4:30 p.m. This material is also available on the department's Web site, <http://www.abc.ky.gov>. (41 Ky.R. 1469; Am. 1790; eff. 3-6-2015; 42 Ky.R. 1353; 1737; eff. 1-4-2016.)